

Amendments to the Specification:

Please replace the paragraph forming the Abstract on page 13, lines 3-10 with the following amended paragraph:

~~DC Compensation for a Direct Conversion Radio Receiver~~

A direct conversion receiver uses an algorithm implemented by a DSP to cancel residual DC offsets during demodulation of a GMSK modulated signal. The algorithm exploits the characteristics of GMSK modulation by determining the modulation extremes within sampled I/Q signals and calculates the DC offset as the mean of the extremes. This offset is used to weight a declining exponential function which is subtracted from the original signal samples to achieve compensation.